STATE OF ARIZONA FILED

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STATE OF ARIZONA

DEPARTMENT OF INSURANCE

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In the Matter of) Docket No. 10A-122 -INS
EAST ARKANSAS GEM LIFE INSURANCE COMPANY) Docket No. 10A- <u>122</u> -1NS)
(AZ No. 5625)	 ORDER SUMMARILY SUSPENDING CERTIFICATE OF AUTHORITY AND NOTIFICATION OF RIGHTS
Respondent.) NOTIFICATION OF RIGHTS)

The State of Arizona, Department of Insurance (the "Department") received evidence that East Arkansas Gem Life Insurance Company ("Respondent") violated provisions of Title 20, Arizona Revised Statutes ("A.R.S."). In light of the serious nature of these allegations, the Director of Insurance for the State of Arizona ("Director") finds that the public health, safety and welfare imperatively require emergency action, within the meaning of A.R.S. §41-1092.11(B).

FINDINGS OF FACT

- Respondent is an unaffiliated credit life and disability reinsurer domiciled in Arizona and presently holds a certificate of authority issued by the Department to transact credit life and disability reinsurance.
 - 2. As of this date Respondent failed to file the following:
 - (i) 2009 Annual Statement in violation of A.R.S §§ 20-1083(B) and 20-223(C) and (D);
 - (ii) Annual certification in violation of A.R.S. §§ 20-1082(2) and 20-223; and
- (iii) Certificate of Disclosure in violation of A.R.S. § 20-233(B), all of which were due on August 1, 2010.

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- Failure to file these required financial and other reports jeopardizes the
 Department's ability to evaluate the financial health of Respondent and is hazardous to the policyholders and the people of this state.
 - 4. The public health, safety and welfare imperatively require emergency action.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. Respondent's failure to file its financial statement and other reports is a violation of A.R.S. §§ 20-1082(2), 20-1083(B), 20-223(C) and (D) and 20-233(B).
- 3. Grounds exist for the Director to suspend or revoke Respondent's certificate of authority pursuant to A.R.S. §§ 20-223(C) and 20-233(B).
- 4. Grounds exist to order a summary suspension within the meaning of A.R.S. § 41-1092.11(B).

ORDER

IT IS ORDERED suspending the Arizona certificate of authority held by Respondent and prohibiting the issuance of new and renewal insurance business effective immediately.

DATED this 3 day of September 2010.

CHRISTINA URIAS
Director of Insurance

NOTIFICATION OF RIGHTS

You have the right to request a hearing on this determination by filing a notice of appeal after your receipt of this notice. The notice of appeal must identify the party appealing, the party's address, the matter being appealed and must contain a detailed

statement of the reason for the appeal. Your hearing will be treated as a "contested case" and promptly instituted and determined as prescribed by A.R.S. §§41-1001(4), 41-1092.11(B) and 41-1092.05(E) to the extent the Office of Administrative Hearings calendar permits. In any event, your hearing will be held within sixty (60) days of your notice of appeal is filed, unless the hearing is advanced or delayed by agreement or a showing of good cause by any party. The Department of Insurance will promptly serve a "Notice of Hearing" in accordance with A.R.S. §41-1092.05(E) that will inform you of the date, time and location of the hearing as well as the issues.

If you file an appeal, you may also request an "informal settlement conference" pursuant to A.R.S. §41-1092.06 by filing a written request **no more than twenty (20) days before the scheduled hearing.** The conference will be held within fifteen (15) days after our receipt of your request. If an informal settlement conference is requested, a person with the authority to act on behalf of the Department of Insurance will be present. Please note that you waive any right to object to the participation of the Department's representative in the final administrative decision of the matter if it is not settled.

Your notice of appeal and/or request for an informal settlement conference may be addressed to the attention of:

Hearing Administration
Arizona Department of Insurance
Notice of Appeal
2910 North 44th Street, 2nd Floor
Phoenix, Arizona 85018-7256

COPY of the foregoing mailed/delivered this <u>3rd</u> day of September, 2010 to:

Thomas E. Haney, Esq. 101 N. First Avenue, Suite 2460 Phoenix, AZ 85003

1	Les Olson, CPA East Arkansas Gem Life Insurance Company
2	1919 E. 20 th , Suite C Joplin, MO 64804
3	Danny Ford, President
4	Jeffrey Teague, Secretary/Treasurer East Arkansas Gem Life Insurance Company
5	1919 E. 20 th , Suite C Joplin, MO 64804
6	Gerrie Marks, Deputy Director
7	Steve Ferguson, Assistant Director, Financial Affairs Kelly Stephens, Compliance Manager, Financial Affairs
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